

INITIAL STATEMENT OF REASONS

Pursuant to Penal Code (PC) sections 28225, 28230, and 28240, the Department of Justice (DOJ) is authorized to charge a fee sufficient to reimburse its costs for processing Dealer's Record of Sale (DROS) transactions and various firearm reports regarding the acquisition and ownership of firearms and to fund DOJ firearms-related regulatory and enforcement activities including the Armed Prohibited Persons System (APPS). The regulations that implement these laws are amended to be consistent with statutory amendments that take effect January 1, 2014.

Problem Addressed by the Proposed Regulations

Effective January 1, 2014, Assembly Bills (AB) 809 (Feuer) (ch. 745, Stats. 2011) and AB 1559 (Portantino) (ch. 69, Stats. 2012) added section 27966 PC and amended sections 27560, 27565, 27875, 27920, 28230 and 28240 PC. New section 27966 PC requires DOJ to provide a report form for licensed collectors of curio or relic firearms to report their in-state acquisition of curio or relic (C & R) long guns. As amended, sections 28230 and 28240 PC require a single \$19 fee to be charged when multiple firearms (handguns or long guns) are acquired or reported. Finally, pursuant to amended sections 27560, 27565, 27875, and 27920 PC, three firearms reports that currently apply only to handguns, will become applicable to all firearms. The applicable regulations must be amended to implement these new and/or amended laws.

Purpose and Necessity

Proposed section 4001 will eliminate the additional DROS fee (\$15 per gun) for multiple firearms acquired at the same time. As amended, the regulation will require a single \$19 DROS fee to be charged when multiple firearms (handguns or long guns) are reported at the same time as mandated by section 28240 PC.

Proposed section 4002 will eliminate the additional fee (\$19 per gun) for multiple firearms reported at the same time by the owner pursuant to section 28240 PC. Additionally, pursuant to sections 27560, 27565, 27875, and 27920 PC, three handgun reports will be expanded and made applicable to all firearms. New subsection (e) of section 4002 will establish a new report and fee for federally licensed C & R collectors who will need to report their acquisition of C & R long guns in California from non-dealers pursuant to section 27966 PC. The report forms, which are incorporated by reference, must be revised accordingly.

Anticipated Benefits from the Regulatory Action

Firearms dealers and individuals who purchase or report ownership/acquisition of multiple firearms will pay a single transaction fee eliminating additional fees for multiple firearms purchased or reported at the same time.

Various firearms report forms have been revised to include long guns (rifles and shotguns) and a new report form was established for federally licensed C & R collectors who acquire C & R long guns in California from non-dealers. These revised or new report forms will enable affected gun owners to comply with new laws that require reporting the acquisition and/or ownership of firearms beginning on January 1, 2014.

Economic Impact Assessment/Analysis

The proposed regulations will eliminate additional fees (\$15 or \$19) when multiple firearms are purchased or reported at the same time. However, fewer than 1 percent of all firearm transactions reported to DOJ involve multiple firearms. Therefore, because the proposed regulations provide a relatively small fee reduction for less than 1 percent of the firearm transactions, DOJ has determined that there will be no economic impact.

Benefits to the Health and Welfare of California Residents, Worker Safety, and the Environment

The proposed regulatory action does not provide any readily identifiable benefits to the health and welfare of California residents, worker safety, or the environment.

Evidence Supporting Finding of No Significant Statewide Adverse Economic Impact Directly Affecting Business

DOJ has determined that the proposed regulations will not have a significant statewide adverse economic impact on business as the proposed regulations would eliminate additional fees for multiple firearms purchased or reported at the same time as statutorily mandated. To the extent there is any economic impact, it would be beneficial to business.

Technical, Theoretical, and/or Empirical Study, Report or Documents

DOJ did not rely upon any technical, theoretical, or empirical studies, reports, or documents in proposing the adoption of the amended regulations.

Reasonable Alternatives to the Regulations and the Agency's Reasons for Rejecting Them

No other alternatives were presented to or considered by DOJ that would be less burdensome and equally effective in achieving the purpose of the regulations in a manner that ensures full compliance with the authorizing statutes.

Reasonable Alternatives to the Proposed Regulatory Action That Would Lessen Any Adverse Impact on Small Businesses and the Agency's Reasons for Rejecting Them

The proposed regulations would not have an adverse impact on small businesses. Consequently, no reasonable alternatives were proposed or considered by DOJ.